

Required Report: Required - Public Distribution

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Report Name: Grain and Feed Update

Country: Cambodia

Post: Phnom Penh

Report Category: Grain and Feed

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Report Highlights:

Foreign Agricultural Service's Phnom Penh (Post) forecasts an increase of exports of Cambodian rice in Trade Year (TY) 2023/24 due to recovery from high logistics costs and resumed relationships with export markets after the European Union's lift of safeguard measures against Cambodian rice. In addition, the new Cambodian government's measures to decrease electricity prices from 10-20 percent during off-peak hours will allow millers to maximize their milling capacity, thereby increasing local milled rice production for both in-country use and exports, and slightly decrease wet paddy cross-border trade accordingly.

RICE

Production, Supply, and Distribution

Rice, Milled	2021/2022		2022/23		2023/24	
Market Begin Year	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	3300	3335	3310	3310	0	3370
Beginning Stocks	212	318	208	208	0	301
Milled Production	5900	5862	5933	5933	0	6222
Rough Production	9672	9610	9726	9726	0	10200
Milling Rate (.9999)	6100	6100	6100	6100	0	6100
MY Imports	10	10	50	10	0	10
TY Imports	10	10	50	10	0	10
TY Imp. from U.S.	0	3	0	0	0	0
Total Supply	6122	6190	6191	6151	0	6384
MY Exports	1400	1410	1800	1850	0	2100
TY Exports	1400	1410	1800	1850	0	2100
Consumption and Residual	4500	4420	4150	4000	0	4000
Ending Stocks	222	360	241	301	0	433
Total Distribution	6122	6190	6191	6151	0	6533
Yield (Rough)	2.9309	2.8816	2.9384	2.9384	0	3.0267

(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Production

Table 1: Rice Area, Production, and Yield by Crop

MY	2021/2022			2022/2023 Estimate			2023/2024 Forecast		
	Harvested Area (THA)	Yield (MT/HA)	Production (TMT)	Harvested Area (THA)	Yield (MT/HA)	Production (TMT)	Harvested Area (THA)	Yield (MT/HA)	Production (TMT)
Wet season	2,671	2.696	7,200	2,700	2.737	7,390	2,750	2.727	7,500
Dry season	600	3.767	2,260	610	3.831	2,337	620	4.354	2,700
Total	3,271	2.892	9,460	3,310	2.939	9,727	3,370	3.026	10,200

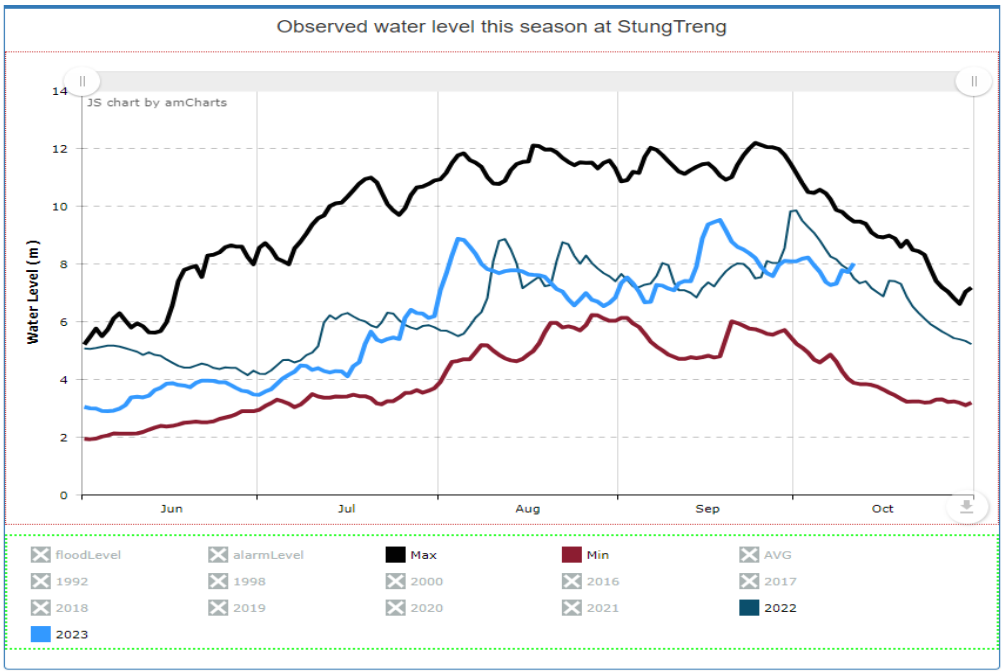
Notes: For the wet season, Cambodia's primary crop period, sowing starts in May-June, with the crop harvested in August-September for short- and medium-term varieties and October-January for longer term varieties. For Cambodia's secondary crop period, the dry season, sowing starts in November-December, with the crop harvest occurring from February to April. MY 2022/23 includes two crops: 2022 wet season and 2022-2023 dry season.

Source: Ministry of Agriculture, Forestry and Fisheries; Post's estimates.

Post keeps its forecast for an increase of production and area in MY 2023/24 compared to MY 2022/23 at 10.2 million metric tons (MMT) and 3,370 thousand hectares (THA), respectively, due to decreased input prices that allow farmers to apply more especially on to the dry season rice production. The Ministry of Agriculture, Forestry and Fisheries (MAFF) noted in July 2023 that chemical fertilizer prices decreased significantly from January 2023. For example, Urea fertilizer decreased from \$35/bag to \$23.5/bag from January to July 2023; in addition, Di-Ammonium Phosphate (DAP) fertilizer decreased from \$42/bag to \$36/bag. Pesticide prices also decreased from 14-35 percent over the same period. Post also keeps its forecast for wet season rice production and area in MY 2023/24 to slightly increase from MY 2022/23 due to less severe floods and emergency actions from the Cambodian government to deliver rice seeds to affected areas to be able to cultivate immediately. MAFF estimated only 10 provinces were affected by floods this year compared to 22 provinces last year.

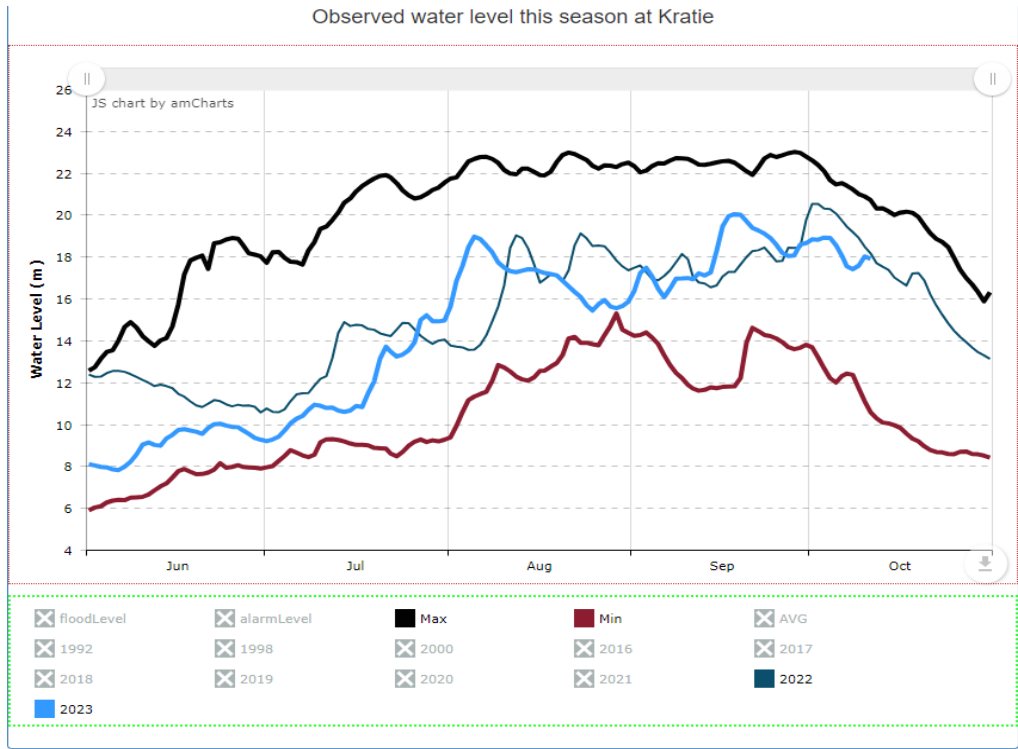
Post keeps its estimate for production and area to remain unchanged in MY 2022/23 at 9.7 MMT and 3,310 THA, respectively, a slight increase from MY 2021/22 due to lower input prices and expanded cultivation areas for farming. The Cambodian government announced measures on clearing land mines to allow more cultivated land areas for farmers and promised a landmine free in Cambodia by 2025. This effort gradually allows for more farmland each year for rice farmers. In addition, according to the Mekong River Commission, water level in MY 2022/23 is more manageable than the previous year where water was higher closer to the harvest season for long-term crop varieties that did not allow much time for farmers to replant.

Figure 1: Mekong River Water Level Monitoring at Stung Treng Station



Source: Mekong River Commission

Figure 2: Mekong River Water Level Monitoring at Kratie Station



Source: Mekong River Commission

Consumption

Post revises MY 2023/2024 consumption down marginally to 4 MMT from 4.25 MMT due to the increased departure of Cambodians to neighboring countries for migrant work after a disruption of this pattern caused by COVID-19. Approximately 1.2 million Cambodians are migrant workers living and working in neighboring countries. Many Cambodians who had been working abroad returned to Cambodia during the COVID-19 pandemic.

According to MAFF, 13 percent of paddy is reserved per year for feed and seeds; therefore, around 800 Thousands Metric Tons (TMT) of milled rice equivalent is used for animal feed and rice seeds per year. In addition, Post forecasts rice residuals to be around 1 MMT.

Post revises its consumption estimate down to 4 MMT in MY 2022/23 also due to the departure of Cambodian migrant workers.

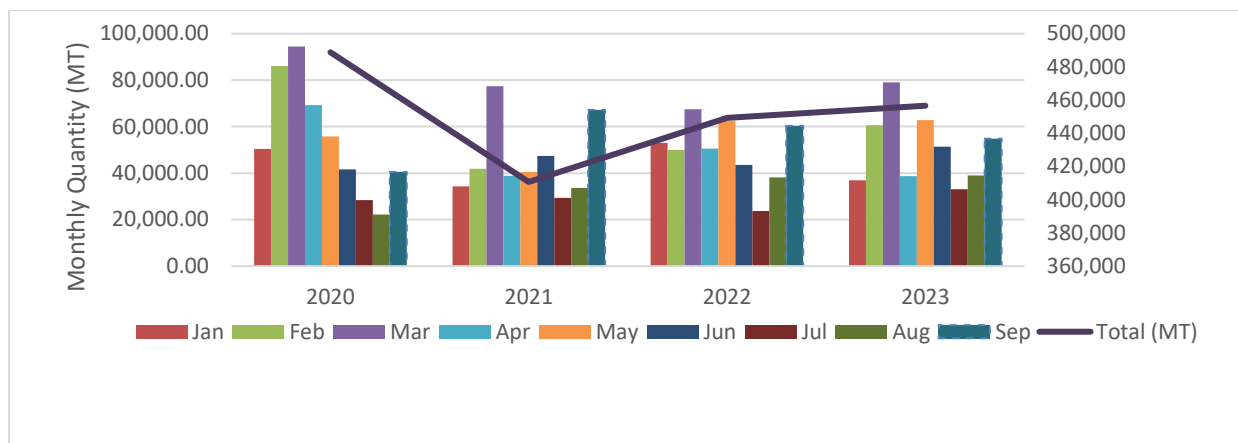
Stocks

Post forecasts MY 2023/24 stocks at 433 TMT slightly increased from the previous forecast due to lower consumption. Likewise, Post estimates MY 2022/23 stocks up to 301 TMT.

Trade

Post increases its forecast of rice exports for MY 2023/24 due to improved logistics and better market access to EU markets after the lift of the EU safeguard measures. The Cambodia Rice Federation (CRF) also set a target to sign new contracts with different buyers to reach one million tons of milled rice exports by 2025. From January to September Trade Year (TY) 2022/23, the CRF reports milled rice shipped to 57 countries at 456,581 tons and expects it to reach 700 TMT by the end of the year. It is also important to note that the Indian ban of white rice in TY 2022/23 drove an increase of formal and informal paddy exports to Vietnam at around 3 MMT of paddy or 1.8 MMT of milled rice equivalent in the first nine months of the trade year. The CRF reported around 60 percent of these exports to Vietnam went through a formal process with proper export documents.

Figure 3: Official Milled Rice Exports by Month (January-September)



Source: Cambodia Rice Federation (CRF)

Table 2: Official Rice Export

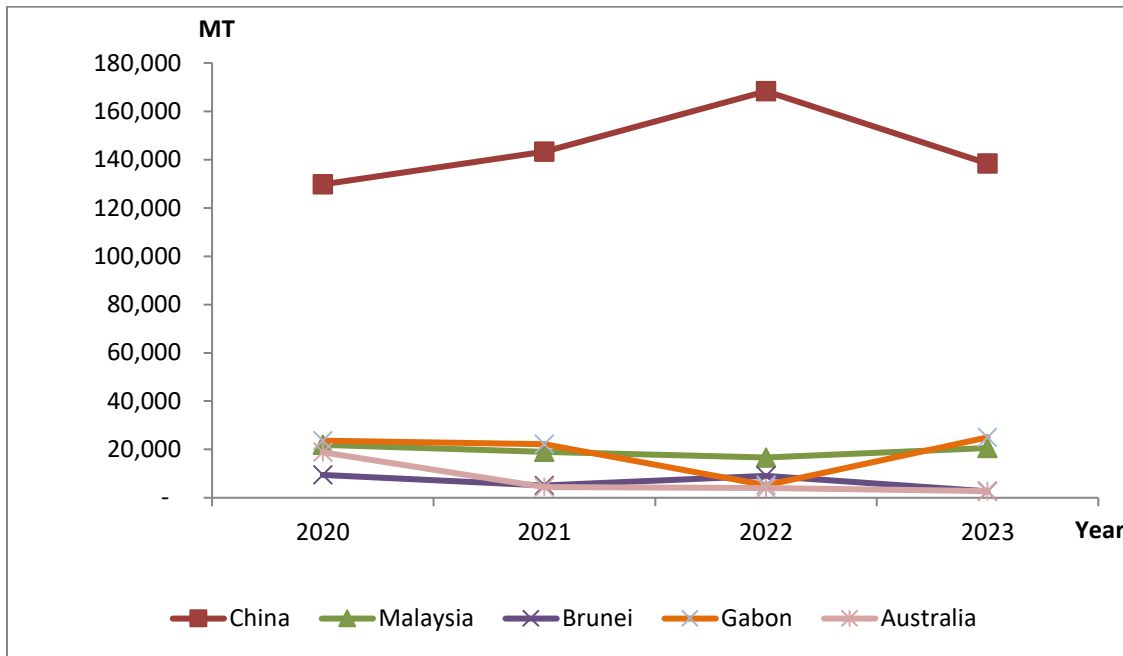
Month	2018	2019	2020	2021	2022	2023
Jan	62,623	59,625	50,450	34,273	53,036	36,900
Feb	47,809	52,861	86,049	41,949	50,022	60,567
Mar	50,683	58,335	94,449	77,466	67,481	79,114
Apr	36,239	42,942	69,304	38,807	50,599	38,740
May	42,865	36,409	55,845	40,536	62,537	62,863
Jun	31,318	31,366	41,563	47,419	43,525	51,449
Jul	25,543	26,475	28,413	29,415	23,702	33,075
Aug	44,558	34,032	22,130	33,582	38,098	38,991
Sep	47,626	56,541	40,572	67,251	60,361	54,882
Total (MT)	389,264	398,586	488,775	410,698	449,361	456,581
Change (%)	-8%	2%	23%	-16%	9%	2%

(Unit: MT)

Source: Cambodia Rice Federation (CRF)

According to Cambodia's customs data, China remains Cambodia's top rice consumer; however, its share of the total market has declined from around 45 percent to 34 percent due to rising demand from the EU markets.

Figure 4: Monthly Exports to Key Markets



Source: Cambodia Rice Federation (CRF)

Table 3: Milled Rice Exports to Key Markets

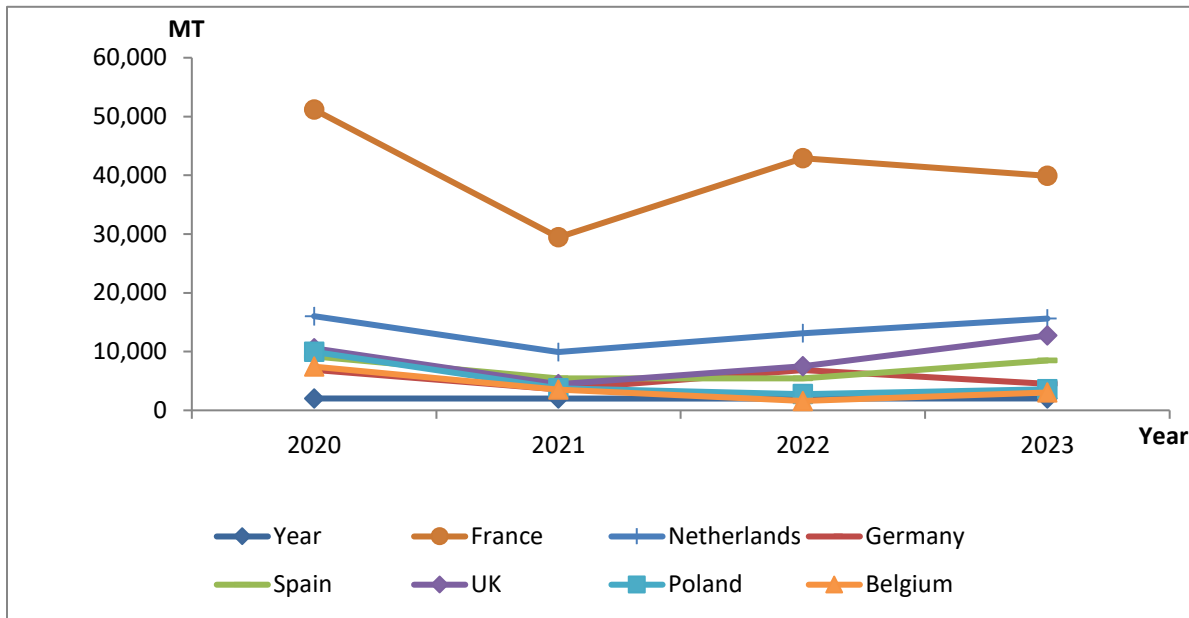
Year	China	Malaysia	Brunei	Gabon	Australia
2020	129,735	21,904	9,450	23,691	18,819
2021	143,293	19,030	5,124	22,228	4,473
2022	168,280	16,671	9,072	5,193	4,051
2023	138,364	20,631	2,667	25,007	2,770

(Unit: MT)

Source: Cambodia Rice Federation (CRF)

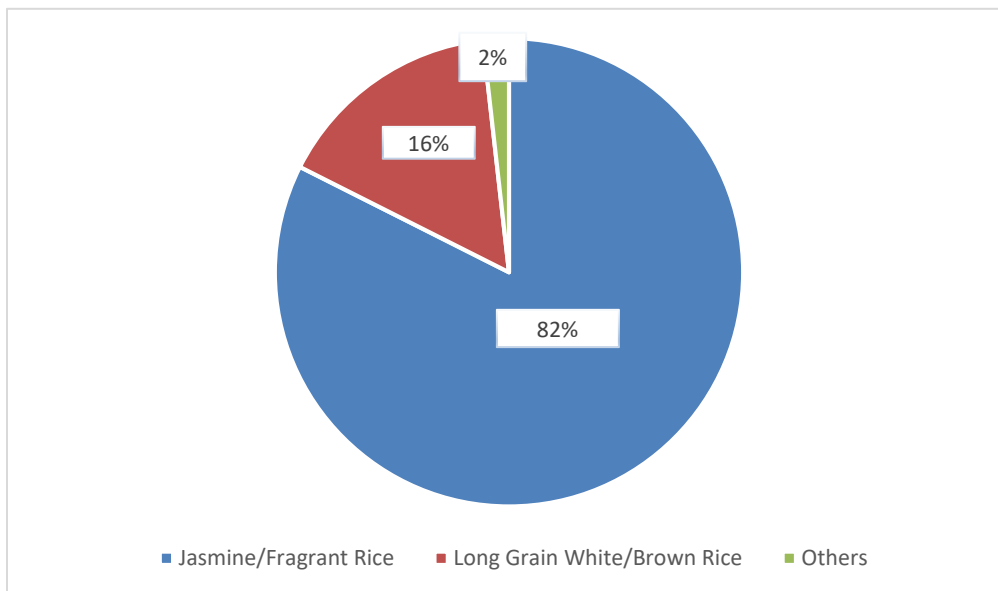
Cambodia reports an increase of rice exports to EU markets in the first nine months of TY 2022/23 to 190,788 tons, a year-on-year increase of 14.7 percent. The increase is expected to continue due to better relationships and marketing activities that the CRF has put forward in attracting European buyers. Cambodia won the world’s best rice award in 2022 which puts its fragrant rice in a spotlight especially in the EU markets who demand high quality premium grains. In addition, according to the Electricity Authority of Cambodia, the Cambodian government adopted a new measure to decrease electricity prices for the agriculture sector from 10-20 percent during off-peak hours which will allow rice millers to use their milling facility more which will increase local milling capacity for both local consumption and exports.

Figure 5: Rice Exports to European Markets



Source: Cambodia Rice Federation (CRF)

Figure 6: Official Rice Export Volumes by Variety, January- September 2023



Source: Cambodia Rice Federation (CRF)

The share of fragrant rice to EU markets in the first nine months of TY 2022/23 increased to 82 percent compared to 68 percent at the same period last year.

Attachments:

No Attachments